

KENTUCKY AGRI-NEWS



Kentucky Agricultural Statistics Service
P.O. Box 1120
Louisville, Kentucky 40201-1120
Phone: (502) 582-5293 or 1-800-928-5277
E-mail: nass-ky@nass.usda.gov
and the
Kentucky Department of Agriculture
Billy Ray Smith, Commissioner

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 ★ Foreign Ownership ★ Tobacco Outlook

KENTUCKY FARMERS REPORT GOOD CROP YIELDS

U.S. HIGHLIGHTS

Corn production was forecast at 10.2 billion bushels, up 3 percent from last month and 13 percent above 2002. If realized, production would be the largest ever.

Corn yields were expected to average 142.2 bushels per acre, up 3.7 bushels from September and up 12.2 bushels from last year. If realized, yield would be the largest ever.

Soybean production was forecast at 2.47 billion bushels, down 7 percent from September and 10 percent below 2002. If realized, this would be the lowest production since 1996.

Soybean yields were expected to average 34.0 bushels per acre, down 2.4 bushels from September and down 4.0 bushels from 2002.

Eight-State Burley Belt production was forecast at 303.3 million pounds, up 4 percent from September and 1 percent higher than last year.

KENTUCKY

Crop growing conditions for the summer were good and Kentucky farmers are expecting good to excellent yielding crops. Farmers have received adequate to surplus rainfall for their crops this growing season. Production of corn, soybeans, burley tobacco, hay and most dark tobaccos were up from last year's drought reduced crops. Some intended corn acreage was switched to soybeans or sorghum due to rain delaying scheduled planting.

Production of **burley tobacco** was forecast at 203.7 million pounds, up 5 percent from the September forecast and up 3 percent from last year's crop. The increase in production was brought about by an increase in estimated yield. The expected burley crop would be 95 percent of the effective quota that farmers could sell. Yield was estimated at 2,100 pounds per acre, an increase of 100 pounds from the September estimate and 185 pounds from the 2002 crop. Harvested acreage was estimated at 97,000 acres, unchanged from September and down 6,000 acres from the previous year. Adequate to surplus soil moisture conditions have resulted in good plant growth going into fall. As of September 28, 82 percent of the burley and 88 percent of the dark tobacco had been cut. Cut tobacco in the barns had been curing well as moisture conditions this fall have been beneficial to the curing process. **Dark tobacco** production was mixed with Type 22, Type 35 and Type 36 production being up from the 2002 crop, while Type 23 forecasted a smaller crop.

Corn for grain production was forecast at 152.6 million bushels, down 1 percent from the September estimate while up 44 percent from the 2002 crop. The decrease in production from September resulted from a downward revision in acreage harvested for grain. The revision was brought about by new harvested acreage data available at this time. Harvested acreage for grain was estimated at 1.09 million acres, down 40,000 acres from September while up 50,000 acres from a year earlier. Yield per acre was estimated at 140 bushels per acre, an increase of 4 bushels from September, up 38 bushels from the 2002 crop and the second highest yield on record. The highest yield, 142 bushels, occurred in 2001. Farmers have a good corn crop as the crop received adequate to surplus moisture during the growing season. As of September 28, 94 percent of the corn had reached maturity and 52 percent had been harvested. Reports of above average corn yield and quality were the norm as harvest continued.

Production of **soybeans** was forecast at 50.0 million bushels, up 20 percent from the September estimate and 22 percent from the previous year. The increase in production from September was brought about by an increase in harvested acreage and yield. Harvested acreage was estimated at 1.25 million acres, an increase of 150,000 acres from the September estimate while down 10,000 acres down from the 2002 crop. Revision in harvested acreage resulted from new harvested acreage data being available. Yield was estimated at 40 bushels per acre, up 2 bushels from September and 7.5 bushels from the previous year. The 2003 crop equals 2001 as the largest yield on record. Soybean production of both full season and second crop soybeans has been good to excellent this year. Adequate to surplus moisture has resulted in a good pod fill. Soybean development and harvest has been behind last year due to the delayed planting. As of September 28, 70 percent of the soybeans were shedding leaves and 5 percent had been harvested. Some farmers are concerned about their double crop soybeans maturing before a widespread frost.

Alfalfa hay was forecast at 1.02 million tons, up 10 percent from August, 13 percent from last year and the largest crop in 7 years. Yield was estimated at 3.4 tons per acre. **Other hay** production was forecast at 5.50 million tons, up 4 percent from August, 19 percent from the previous year and the largest other hay production on record. Yield per acre was estimated at 2.5 tons per acre, also the highest yield on record. Hay production has been good this growing season while quality has suffered. First cutting of alfalfa was delayed by rain on most farms and/or cut hay was rained on prior to baling. Farmers had to cut and bale their hay this summer between showers.

CROP PRODUCTION

CROP SUMMARY, OCTOBER 1 KENTUCKY AND UNITED STATES, 2002 - 2003

CROPS	UNIT	ACREAGE HARVESTED		YIELD PER ACRE		PRODUCTION		
		2002	2003	2002	2003	2002	2003	
			Indicated		Indicated		Indicated	% of '02
		(Thousand)				(Thousand)		
KENTUCKY								
Corn for Grain	Bu.	1,040	1,090	102.0	140.0	106,080	152,600	144
Soybeans for Beans	Bu.	1,260	1,250	33.0	40.0	41,580	50,000	120
Hay:								
All	Ton	2,400	2,500	2.30	2.61	5,520	6,520	118
Alfalfa	Ton	300	300	3.00	3.40	900	1,020	113
All Other	Ton	2,100	2,200	2.20	2.50	4,620	5,500	119
Tobacco:								
All	Lbs.	111.10	105.30	2,007	2,179	222,991	229,480	103
Burley	Lbs.	103.00	97.00	1,915	2,100	197,245	203,700	103
Type 22 E. Fired	Lbs.	2.45	2.50	3,160	3,200	7,742	8,000	103
Type 23 W. Fired	Lbs.	2.40	2.40	3,650	3,500	8,760	8,400	96
Type 35 One Sucker	Lbs.	2.10	2.20	3,000	2,900	6,300	6,380	101
Type 36 Green River	Lbs.	1.15	1.20	2,560	2,500	2,944	3,000	102
Wheat, All	Bu.	340	330	53.0	62.0	18,020	20,460	114
Barley	Bu.	8	8	64.0	75.0	512	600	117
UNITED STATES								
Corn for Grain	Bu.	69,313	71,765	130.0	142.2	9,007,659	10,207,141	113
Soybeans for Beans	Bu.	72,437	72,538	38.0	34.0	2,749,340	2,468,390	90
Sorghum for Grain	Bu.	7,299	7,851	50.7	51.0	369,758	400,653	108
Hay:								
All	Ton	64,497	64,379	2.34	2.50	150,962	160,706	106
Alfalfa	Ton	23,135	23,541	3.19	3.34	73,824	78,523	106
All Other	Ton	41,362	40,838	1.86	2.01	77,138	82,183	107
Tobacco:								
All	Lbs.	428.66	413.01	2,055	2,044	880,734	844,298	96
Burley	Lbs.	158.60	149.20	1,892	2,033	300,051	303,300	101
Type 22 E. Fired	Lbs.	7.45	7.60	3,126	3,066	23,292	23,300	100
Type 23 W. Fired	Lbs.	2.79	2.80	3,636	3,471	10,145	9,720	96
Type 35 One	Lbs.	2.61	2.74	2,922	2,821	7,626	7,730	101
Type 36 Green	Lbs.	1.15	1.20	2,560	2,500	2,944	3,000	102
Wheat, All 1/	Bu.	45,917	52,839	35.3	44.2	1,619,001	2,336,526	144
Barley 1/	Bu.	4,129	4,688	54.9	58.9	226,573	276,087	122

1/2002 Revised.

U. S. DAIRY PRODUCTS, AUGUST 2003

PRODUCT	August 2002	July 2003 <u>1/</u>	August 2003	Percent of August July 2002 2003	
(000) Pounds			Percent		
BUTTER	88,883	79,546	70,150	79	88
CHEESE					
American Types <u>2/</u>	309,640	306,545	302,061	98	99
Mozzarella	229,911	235,700	235,537	102	100
All Other Types <u>3/</u>	174,763	174,966	170,817	98	98
Total	714,314	717,211	708,415	99	99
(000) Gallons			Percent		
FROZEN PRODUCTS					
Ice Cream (Hard)	77,896	82,942	75,593	97	91
Frozen Yogurt (Total)	6,619	5,853	5,637	85	96
MIX FOR FROZEN PRODUCTS					
Ice Cream Mix	46,787	50,460	43,956	94	87
Yogurt Mix	3,963	3,443	3,316	84	96

1/ Revised. 2/ Includes Cheddar, Colby, Monterey, and Jack. 3/ Includes Swiss, cream and all other types. Excludes cottage cheese.

UNITED STATES EGG PRODUCTION & HATCH

Item	Aug 2002	Aug 2003	Aug '03 as % Aug '02
Egg Production			
Eggs Produced (Million)	7,356	7,308	99
Average Layers (000)	336,159	332,003	99
Eggs Per 100 Layers	2,188	2,201	101
Egg Type Hatchery			
Eggs Set Sept 1 (000)	33,179	31,791	96
Chicks Hatched (000)	35,681	33,179	93
Broiler Type Hatchery			
Eggs Set Sept 1 (000)	633,027	632,136	100
Chicks Hatched (000)	780,020	783,175	100

FOREIGN OWNERSHIP OF U.S. AGRICULTURAL LAND IN 2002

Of the 15,580,897 acres of reported foreign-held land, foreign persons from Canada own the largest amount of reported foreign-held acres of U.S. land, 4,489,983 acres, or 29 percent. Foreign persons from an additional three countries, Germany (12%), the United Kingdom (11%), and Switzerland (4%); collectively own 4,127,461 acres or 27 percent of the foreign-held acres of U.S. agricultural land. Forty-seven percent of the reported foreign-owned holdings of land is timber or forest land; cropland accounts for only 17 percent. Foreign-owned cropland, pasture, and other agricultural land (which includes, for example, orchards and vineyards) total 50 percent of all foreign-owned holdings, only 6 percent of all privately held agricultural land in the United States. The non-agriculture category accounts for 3 percent of the reported foreign-held acres. Nonagricultural land includes acreage such as the homestead and roads commonly reported as part of the agricultural landholding or land that is idle now but its last use within the past 5 years was for agriculture.

Foreign ownership of U.S. agricultural land remained relatively steady from 1991 through 2001, slightly above or below 1 percent of all privately owned agricultural land in the United States. Most changes were in forest land, decreasing from 7.5 million in 1991, to 6 million in 1998, and increasing to 7.5 million in 2001. These changes are mainly due to million-acres-plus transactions by large timber companies. Reviewing the crop, pasture, and other agricultural figures reveals a relatively small increase, if any, in the numbers between 1991 and 2001. Cropland increased from 2.5 million acres in 1998 to 3 million in 1999, decreased to slightly more than 2.5 million in 2001; pasture and other agriculture remained steady.

Foreign owned agricultural land in **Kentucky** totaled 83,041 acres or 3 tenths of one percent of the total privately held agricultural land.

U.S. AGRICULTURAL LANDHOLDINGS OF FOREIGN OWNERS, BY STATE, FEBRUARY 28, 2002

State	Acres	State	Acres	State	Acres
Alabama	670,181	Maine	3,134,337	Oregon	242,666
Alaska	121	Maryland	48,426	Pennsylvania	160,860
Arizona	263,744	Massachusetts	2,683	Puerto Rico	760
Arkansas	141,175	Michigan	315,189	Rhode Island	15
California	971,859	Minnesota	251,179	S. Carolina	150,239
Colorado	674,450	Mississippi	185,745	S. Dakota	41,492
Connecticut	1,204	Missouri	64,493	Tennessee	83,691
Delaware	3,520	Montana	491,860	Texas	1,436,533
Florida	895,558	Nebraska	14,165	Utah	76,801
Georgia	612,318	Nevada	503,226	Vermont	84,575
Hawaii	167,164	New Hampshire	15,366	Virginia	123,503
Idaho	32,710	New Jersey	14,136	Washington	220,658
Illinois	152,954	New Mexico	783,102	W. Virginia	94,299
Indiana	54,785	New York	250,593	Wisconsin	357,707
Iowa	32,843	N. Carolina	234,933	Wyoming	264,070
Kansas	60,875	N. Dakota	14,479		
Kentucky	83,041	Ohio	208,757		
Louisiana	327,342	Oklahoma	57,519	TOTAL	15,073,901

Source: USDA, FAS, Agricultural Foreign Investment Disclosure Act (AFIDA) data.

BURLEY TOBACCO OUTLOOK

As of September 1, burley production in 2003 is estimated at 290.5 million pounds compared with 300.1 million pounds last season. Acreage is 149,200 acres, 9,400 acres below last season, but with improved yields. Better growing conditions resulted in a crop close in size to last year's. Marketings this year will likely be about 285 million pounds, 14 percent below the effective quota of 331.7 million pounds, resulting in projected supplies of about 880 million pounds, assuming normal on-farm carryover levels. Lower production combined with lower expected beginning

stocks in October 2003 are expected to result in supplies of 880 million pounds, 7 percent below the previous season's 947.7 million pounds. Burley tobacco use in 2002-03 will be less than the previous season. Disappearance for the season is projected at below 300 million pounds. Available tobacco in 2003 (including on-farm carryover) is expected to be about 285 million pounds. The effective quota is only 331.7 million pounds, so marketings are limited to about 342 million pounds. However, burley is usually undermarketed by about 15-20 percent so actual marketings are expected to be about 290 million pounds.

FIRE-CURED OUTLOOK (TYPE 21-23)

Fire-cured tobacco is mainly used in making snuff, plug chewing tobacco, and twist chewing tobacco. About half the crop is usually exported. Production of fire-cured leaf in 2002-03 was 34.9 million pounds, about 10 million pounds below the previous season. Acreage was 10,790 acres, compared with 14,620 the previous year. For the season beginning October 1, 2003, acreage increased to 11,200 acres and production is projected at 33.3 million pounds. Yields are below last season. Production of Kentucky-Tennessee fire-cured leaf (types 22-23) production as of September 1 (2003 crop) is estimated at 32.0 million pounds compared, with 33.4 million pounds in 2002, and 43.1 million pounds in 2001. Production of Virginia fire-cured

tobacco (type 21) was estimated at 1.4 million pounds. After reaching 26.3 million pounds during the 2000 crop year, shipments of dark fire-cured leaf (types 21-23 slipped to 16.4 million pounds in 2001. Shipments of Kentucky-Tennessee fire-cured (types 22-23) declined by more than 40 percent during the first 9 months of the 2002 crop year (October 2002-June 2003). Total exports of types 22-23 are expected to reach 9 million pounds compared with 16 million pounds last season. Total fire-cured disappearance for the first 9 months of the 2002-03 marketing year was 27.6 million pounds, compared with 30.4 million pounds last year. For the entire marketing year, disappearance is expected to be about 33 million pounds.

DARK AIR-CURED OUTLOOK (TYPE 35-37)

Dark air-cured tobacco (types 35-37) is used in plug and twist chewing tobacco, snuff, and to some extent in smoking tobacco. Type 37 is sun-cured tobacco produced in Virginia. Production and use have declined by more than 50 percent over the last two decades. Exports traditionally account for 10-20 percent of total use, but have declined in the past decade as cigarettes have displaced traditional tobacco products in many countries which purchased dark air-cured leaf. The marketing year for dark air-cured tobacco is on an October-September basis. Although acreage rose in 2003, depressed yields are expected to shrink air-cured production to 10.3 million pounds from 10.7 the previous season,

according to the September 1 crop forecast. Acreage is projected at 4,010 acres compared with 3,830 last season, and yields are 2,581 pounds per acre, compared with 2,790 last season. Supplies at the beginning of 2003 (October 1, 2003) are expected to be about 50.9 million pounds, compared with 50.0 million pounds in 2002. Air-cured disappearance for the first 9 months of the marketing year (October 2002-June 2003) advanced 40 percent to 8.7 million pounds, compared with 5.5 million pounds last season. Based on past years' marketing patterns, total disappearance during the crop year is expected to be about the same as last season's 10.3 million pounds.

Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>
